Department of Finance

News Release

Immediate release

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Financial Institution Reforms Come Into Force

The Honourable Jim Flaherty, Minister of Finance, today announced the implementation of Bill C-37, *An Act to amend the law governing financial institutions and to provide for related and consequential matters*.

Bill C-37 modernizes the regulation of financial institutions, promotes the interests of consumers and ensures Canada continues to be a world leader in financial services.

"Canada has a leading-edge financial sector," said Minister Flaherty. "The measures contained in Bill C-37 will benefit consumers and businesses and contribute to maintaining the competitive advantage of Canada's dynamic financial services industry."

The legislation, which was drafted after intensive consultations, received Royal Assent on March 29, 2007.

Several key legislative measures come into force today. They include:

- Promoting the interests of consumers with more timely disclosure online and in financial institution branches in areas such as complaint-handling procedures.
- Reducing the cost of mortgages for some borrowers by lowering the down payment consumers must make before mortgage insurance is required by law.
- Providing an enabling framework for electronic cheque imaging.
- Making it easier for credit unions to establish cooperative credit associations as a means of expanding their business opportunities.
- Changing the directors' residency requirement so Canadian financial institutions can add more foreign experts to their boards, as long as the majority of directors remain Canadian residents.

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